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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed
as a separate compilation.

LOK SABHA

The following Bills were introduced in Lok Sabha on the 20th March, 1967:—

BILL* No. 19 OF 1967

A Bill to continue for the financial year 1967-68 the existing rates of income-tax with certain modifications and the existing rates of annuity deposits and to provide for the continuance of certain commitments under the General Agreement on Tariff and Trade and the discontinuance of the duty on salt for the said year.

BE it enacted by Parliament in the Eighteenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Finance Act, 1967.
 - (2) It shall be deemed to have come into force on the 1st day of April, 1967.
- Short title
and com-
mencement.

*The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

Income-tax.

2. The provisions of section 2 of, and the First Schedule to, the Finance Act, 1966, shall apply in relation to income-tax for the assessment year commencing on the 1st day of April, 1967 as they apply in relation to income-tax for the assessment year commencing on the 1st day of April, 1966, with the following modifications, namely:— 5

13 of 1966.

(a) in section 2,—

(i) for the figures “1966”, wherever they occur, the figures “1967” shall be substituted;

(ii) in sub-section (1), the brackets and figure “(2),” shall be omitted; 10

(iii) sub-section (2) shall be omitted;

(iv) in sub-section (5), in clause (a),—

(A) in sub-clause (i), after the words “derived from the export”, the brackets, words and figures “(made before the sixth day of June, 1966)” shall be inserted; 15

(B) in sub-clause (ii),—

(i) after the words “during the previous year, exported”, the words and figures “before the sixth day of June, 1966” shall be inserted;

(ii) after the words “receivable by him in respect of such export”, the words “made before the date aforesaid” shall be inserted;

(C) in sub-clause (iii),—

(i) after the words “during the previous year, sold”, the words and figures “before the sixth day of June, 1966” shall be inserted; 25

(ii) for the words “sale proceeds receivable by him in respect of such articles from the exporter”, the words “sale proceeds receivable by him from the exporter in respect of such articles sold to the exporter before the date aforesaid” shall be substituted; 30

(b) in the First Schedule, in Paragraph F of Part I, for *Explanation 1* to item I, the following *Explanation* shall be substituted, namely:— 35

‘Explanation 1.—In clause (B), the expression “the relevant amount of distributions of dividends” means the aggregate of the following amounts, namely:—

(a) the amount, if any, by which “the relevant amount of distributions of dividends” by the company as 40

13 of 1966.

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computed in accordance with *Explanation* 1 to item I of Paragraph F of Part I of the First Schedule to the Finance Act, 1966 exceeds its total income (reduced by the amount of capital gains, if any, relating to capital assets other than short-term capital assets included therein) assessable for the assessment year commencing on the 1st day of April, 1966; and

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(b) so much of the amount of the dividends, other than dividends on preference shares, declared or distributed by the company during the previous year as exceeds ten per cent. of its paid-up equity share capital as on the 1st day of the previous year.'

43 of 1961.

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3. (1) Save as otherwise provided in Chapter XXIIA of the Income-tax Act, 1961, annuity deposit for the assessment year commencing on the 1st day of April, 1967 and annuity deposit to be made during the financial year commencing on the 1st day of April, 1967, shall be made by every person to whom the provisions of that Chapter apply, at the rate or rates specified in the Second Schedule to the Finance Act, 1966.

13 of 1966.

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(2) For the purposes of this section and the Second Schedule as aforesaid, the expressions "adjusted total income", "annuity deposit" and "depositor" have the meanings respectively assigned to them under clauses (1), (5) and (6) of section 280B of the Income-tax Act, 1961.

43 of 1961.

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4. In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1967", the figures "1968" shall be substituted.

Amendment
of Act
I of 1949.

1 of 1944.

32 of 1934.

30

5. For the year beginning on the 1st day of April, 1967, no duty under the Central Excises and Salt Act, 1944, or the Indian Tariff Act, 1934, shall be levied in respect of salt manufactured in, or imported into, India.

Disconti-
nuance of
salt duty.

Declaration under the Provisional Collection of Taxes Act, 1931

16 of 1931.

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It is hereby declared that it is expedient in the public interest that the provisions of clause 4 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931.

STATEMENT OF OBJECTS AND REASONS

The object of this short Bill is to continue the existing tax structure for the financial year 1967-68, subject to certain modifications in relation to income-tax, and also to continue for that financial year, the existing rates at which annuity deposits are required to be made under the provisions of the Income-tax Act, 1961.

2. Clause 2 continues the existing rates of income-tax and surcharges thereon.

In view of the devaluation of the rupee with effect from June 6, 1966 and the decision of the Government announced at that time that the export promotion schemes and incentives in force prior to that date would not continue in operation from that date, the Bill seeks to provide that the existing rebates of income-tax in relation to exports will be available only with reference to exports made up to June 5, 1966. Similarly, the Bill also seeks to provide that in the case of a manufacturer of specified commodities who has sold such commodities to an exporter in India, the existing provision for tax rebate will be applicable only in respect of such sales made up to June 5, 1966.

At present, domestic companies of certain categories are chargeable to an additional amount of income-tax with reference to distributions of dividends by them on their paid-up equity capital in excess of 10 per cent. of such capital. Such additional income-tax is calculated at the rate of $7\frac{1}{2}$ per cent. on so much of their total income (exclusive of any capital gains relating to 'long-term' capital assets, which are chargeable to tax at special rates specified in the Income-tax Act, 1961) as does not exceed the relevant amount of distributions referred to above. The provision for the levy of such additional income-tax is proposed to be continued. In conformity with the scheme underlying this provision, it is sought to provide that where a company could not be charged to such additional income-tax in respect of the assessment year 1966-67 with reference to any part of the relevant amount of distributions of equity dividends (as computed in accordance with the Finance Act, 1966) due to the circumstance that such amount exceeded the total income of the company for that assessment year,

such excess will also be taken into account in levying the additional income-tax for the assessment year 1967-68.

3. Clause 3 seeks to continue the existing rates of annuity deposits in respect of the assessment year 1967-68 as also for the annuity deposits to be made during the financial year 1967-68 in relation to the income assessable for the assessment year 1968-69.

4. Clause 4 seeks to maintain for another year the *status quo* in relation to the income assessable for the assessment year 1968-69. and Trade.

5. Clause 5, like section 50 of the Finance Act, 1966, provides that salt shall be duty free for another year.

NEW DELHI;
The 20th March, 1967.

MORARJI DESAI.

FINANCIAL MEMORANDUM

As this Bill seeks to continue the existing tax structure for the financial year 1967-68 subject to certain modifications in relation to income-tax and also to continue for that financial year the existing rates at which annuity deposits are required to be made under the provisions of the Income-tax Act, 1961, the Bill if enacted and brought into operation would not involve any additional expenditure from the Consolidated Fund of India.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 2 of the Bill which *inter alia* applies section 2(5)(d) of the Finance Act, 1966 in relation to income-tax for the assessment year commencing on the 1st day of April, 1967, empowers the Central Board of Direct Taxes to make rules for the purpose of computing the amount of any profits and gains derived by an assessee from the export of any goods or merchandise out of India in respect of which he may claim deduction of income-tax under section 2(5)(a)(i) of the Finance Act, 1966 as applied by the said clause 2. The matter in respect of which rules may be made is one of procedure and detail. Therefore, the delegation of legislative power is of a normal character.

BILL NO. 4 OF 1967

A Bill further to amend the Mineral Products (Additional Duties of Excise and Customs) Act, 1958.

BE it enacted by Parliament in the Eighteenth Year of the Republic of India as follows:—

Short
title.

1. This Act may be called the Mineral Products (Additional Duties of Excise and Customs) Amendment Act, 1967.

Amend-
ment of
section 3.

2. In section 3 of the Mineral Products (Additional Duties of Excise and Customs) Act, 1958 (hereinafter referred to as the principal Act), in sub-section (1), in the Table,—

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27 of
1958.

(a) for items 2, 3 and 4 and the entries relating thereto, the following shall be substituted, namely:—

2. Kerosene

One hundred and sixty rupees per 10
kilolitre at fifteen degrees of Centi-
grade thermometer.

3. Refined diesel oils and vaporiz- Two hundred and fifty rupees per
ing oil. kilolitre at fifteen degrees of Centi-
grade thermometer.

5 4. Diesel oil, not otherwise speci- One hundred and fifty rupees per
fied. metric tonne.”;

(b) for item 6 and the entries relating to it, the following
shall be substituted, namely:—

10 “6. Asphalt and Bitumen as des- One hundred rupees per metric
cribed in item No. 11 (1) of tonne.”.
the First Schedule to the
1 of 1944. Central Excises and Salt Act,
1944.

12 of 1966 3. (1) The Mineral Products (Additional Duties of Excise and Repeal
Customs) Amendment Ordinance, 1966, is hereby repealed. and
saving.

15 (2) Notwithstanding such repeal, anything done or any action
taken under the principal Act as amended by the said Ordinance
shall be deemed to have been done or taken under the principal Act
as amended by this Act as if this Act had come into force on the 15th
day of December, 1966.

STATEMENT OF OBJECTS AND REASONS

The Mineral Products (Additional Duties of Excise and Customs) Act, 1958 was enacted for the purpose of levying and collecting additional duties of excise and customs on certain mineral oils. The Act provides for ceiling rates within which effective rates are fixed by notification. As a result of devaluation, the landed price in terms of rupees of imported products naturally increased to the extent of devaluation, and by virtue of the Import Price Parity Agreement with foreign refinery companies they became entitled to a corresponding increase in their selling prices of these products. In fact, however, the cost to these refineries increased only in respect of the imported components of the products such as crude oil, processing chemicals, etc., which constituted only a proportion of the total cost. There was, therefore, no reason to allow the refineries price increase to the full extent of the increase in the rupee landed cost of the products as a result of devaluation. To mop up this difference it became necessary to enhance the rates of non-recoverable additional excise duties, and this was possible only if the ceiling rates provided in the Act were raised. The Mineral Products (Additional Duties of Excise and Customs) Amendment Ordinance, 1966 (12 of 1966), was accordingly promulgated on the 15th December, 1966 to amend the Mineral Products (Additional Duties of Excise and Customs) Act, 1958.

2. The Bill seeks to replace the Mineral Products (Additional Duties of Excise and Customs) Amendment Ordinance, 1966.

NEW DELHI;

The 15th March, 1967.

MORARJI DESAI.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND
274 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 8/82/66-CXIII/III, dated the 15th March, 1967 from Shri Morarji Desai, Deputy Prime Minister to the Secretary, Lok Sabha.]

The President having been informed of the subject matter of the Bill further to amend the Mineral Products (Additional Duties of

Excise and Customs) Act, 1958 has recommended under article 117(1) of the Constitution the introduction of the Bill in the Lok Sabha.

[Copy of letter No. 8/82/66-CK-III/IV, dated the 15th March, 1967 from Shri Morarji Desai, Deputy Prime Minister to the Secretary, Lok Sabha.]

The President has further recommended, under article 274(1) of the Constitution, the introduction of the Mineral Products (Additional Duties of Excise and Customs) Amendment Bill, 1967 in the Lok Sabha.

S. L. SHAKDHER,

Secretary.

